

Message Text

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73

ACTION L-03

INFO OCT-01 EUR-12 ISO-00 EB-07 INT-05 OPIC-06 COME-00

OES-05 FEA-01 CIEP-02 CIAE-00 INR-07 NSAE-00 /049 W

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R 051145Z SEP 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 5578

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

UNCLAS STOCKHOLM 4419

DEPT PLEASE PASS TO STEPHEN BOND, OFFICE OF LEGAL ADVISER

E.O. 11652: N/A

TAGS: EGEN, ENRG, EINV, US, SW

SUBJECT: SWEDISH INTEREST IN US FEDERAL MINING LEASES

REF: A. STATE 204095; B. STOCKHOLM A-322, JULY 31, 1973

1. PER ERIK LINDBERG OF LEGAL ADVISORY STAFF OF SWEDISH INDUSTRY MINISTRY CONFIRMED FOR EMBASSY GENERAL CORRECTNESS OF CANADIAN UNDERSTANDING OF 1916 LAW AS GIVEN IN REFTEL, BUT SUGGESTED FOLLOWING DETAILS SHOULD BE NOTED.

2. 1916 LAW, WITH MOST RECENT AMENDMENT (SFS 1973:307), IMPOSES "CERTAIN RESTRICTIONS ON THE RIGHT OF ALIENS TO ACQUIRE REAL ESTATE, A MINE, OR SHARES IN CERTAIN COMPANIES". THESE RESTRICTIONS ALSO APPLY TO SWEDISH FIRMS UNLESS ARTICLES OF INCORPORATION INCLUDE A FOREIGN OWNERSHIP RESTRICTING CLAUSE (NOT MANDATORY). AN ESTIMATED 80 PERCENT OF SWEDISH FIRMS HAVE SUCH A CLAUSE TO OBVIATE NEED FOR GOVERNMENT PERMISSION TO ACQUIRE REAL ESTATE.

3. EMBASSY ASSUMES SWEDISH COMPANY INVOLVED HAS FOREIGN OWNERSHIP RESTRICTING CLAUSE IN ARTICLES OF INCORPORATION.

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4. CLAUSE RESTRICTS FOREIGN OWNERSHIP TO 20 PERCENT OF FULL VOTING STRENGTH OF SHARES AND LESS THAN 40 PERCENT OF TOTAL SHARE CAPITAL AT ANY ONE TIME.

5. LINDBERG EMPHASIZED THAT COMPLIANCE WITH PROVISIONS
OF 1916 LAW IS ONLY ONE STEP ON PATH TO BEING ALLOWED
TO OPERATE MINE IN SWEDEN. PROVISIONS OF VARIOUS OTHER LAWS
(E.G. SFS 1974:890 ON CERTAIN MINERALS; SFS 1974:342, MINING
LAW) MUST ALSO BE FOLLOWED, BUT THESE LAWS ARE NON-
DISCRIMINATORY, E.E. THEY APPLY TO ALL FIRMS REGARDLESS OF
TYPE OR COMPOSITION OF OWNERSHIP.
STRAUSZ-HUPE

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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